

Statement of Considerations

REQUEST BY TEXTRON SPECIALTY MATERIALS FOR AN
ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS
IN SUBJECT INVENTIONS MADE IN THE COURSE OF
OR UNDER DEPARTMENT OF ENERGY CONTRACT NO.
DE-AC21-94-MC31213; DOE WAIVER DOCKET W(A)-
94-028 [ORO-587]

Textron Specialty Materials (Textron) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Department of Energy (DOE) Contract No. DE-AC21-94-MC31213. The scope of the work calls for the development of composites made from nitride-bonded silicon carbide and silicon carbide reinforcing fiber for use in the construction of hot gas filters that will provide enhanced durability in a cost effective manner. The work is sponsored by the Office of Fossil Energy.

The dollar amount of the contract is \$905,058.00 with Textron cost sharing \$181,100.00, 20% of the contract.

Textron expertise in ceramic composites has been developed in its metal matrix research and development programs, particularly the silicon filament composite research efforts, over at least 20 years. Its competence in the field is evidenced by a number of patents as well as technical publications. Other advanced materials experience includes work with boron fiber production, carbon/carbon densification, carbon and silicon carbide fiber manufacture and fire protection materials. Therefore, Textron's experience and expertise will contribute substantially to the development and commercialization of the inventions made under the contract.

Textron sells ceramic composites for aerospace applications and other markets. About 75 to 80% of the sales of the ceramic composites are to the government or are made in connection with programs funded by the government.

Textron has a history of research and development leading to commercialization of developed ceramics and has also made investment in high-temperature, high-strength composites in general. It is committing resources previously used in these

activities, such as personnel, equipment, and expertise, to develop the hot gas filter materials under this contract.


The contract has been executed and is proceeding with the standard DOE long form patent clause. If the requested waiver is approved, a patent rights clause embodying the standard DOE waiver terms and conditions, approved by Textron, including march-in rights, retention by the government of a license, preference for U.S. industry, and U.S. Competitiveness clauses will be added by a no-cost modification to the contract. The advance patent waiver will also contain a paragraph that limits Textron's ability to alienate waived rights. Specifically, Textron shall not transfer rights in any invention without prior approval of DOE. Also, should there be a change in ownership of Textron, rights in inventions will be suspended until approval by DOE of the entity obtaining controlling interest having the waiver.

Textron agrees that any product, process or service used or sold by Textron or its affiliates embodying subject inventions must be manufactured, practiced, and provided substantially in the United States, and further, any license or other transfer in rights of a subject invention to third parties must be approved by DOE prior to any such transfer.

Granting of the waiver should have little effect on competition since there are several technology options, this being one of many previously or yet-to-be developed in the marketplace, therefore there should not be undue market concentration of Textron products.


Grant of the requested waiver should serve as encouragement to other DOE contractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the acceptable level of cost sharing by Textron and the objectives and considerations set forth in 41 CFR 9-9.109, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.



Katherine Lovingood
Senior Patent Attorney

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest of the United States and the general public will best be served by a waiver of U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:


Howard Feibus
Associate Deputy Assistant
Secretary for Research
and Development

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel
for Intellectual Property

Date: 4-18-96

Date: 4-23-96

WAIVER ACTION ABSTRACT

REQUESTOR

Textron Specialty
Materials

CONTRACT SCOPE OF WORK

The development of
composites made from
nitride-bonded silicon
carbide and silicon
carbide reinforcing fiber
for use in the
construction of hot gas
filters that will provide
enhanced durability in a
cost effective manner.

RATIONALE FOR DECISION

Petitioner is paying 20% of
the cost of the contract, the
technology will improve energy
efficiency and
commercialization would be
unlikely if the waiver is not
granted.

DISPOSITION

Recommend approval